

STATE OF VERMONT
PUBLIC SERVICE BOARD

Docket No. 7103

Joint Petition of IBFA Acquisition Company,)
LLC and American Farm Bureau, Inc., for)
Approval of a Sale of Assets)

Order entered: 10/19/2005

I. INTRODUCTION

On August 10, 2005, IBFA Acquisition Company, LLC ("IBFA"), and American Farm Bureau, Inc. ("AFB") (collectively "Petitioners"), jointly filed a Telecommunications Merger and/or Acquisition Request for Approval Form ("Petition") requesting authority from the Vermont Public Service Board ("Board"), pursuant to 30 V.S.A. § 109, for the acquisition of AFB's assets by IBFA.

On October 6, 2005, the Vermont Department of Public Service ("Department") filed a letter with the Board recommending the Board approve the transaction. The Department further recommended the Board approve the Petition without further investigation or hearing.

The Board has reviewed the Petition and the accompanying documents and agrees that approval should be granted without hearing.

II. FINDINGS OF FACT

Based upon the Petition and accompanying documents, we hereby make the following findings of fact.

1. AFB is authorized to provide telecommunications services in Vermont pursuant to a Certificate of Public Good (CPG No. 489) granted by the Board on October 27, 1999. Petition at 1.
2. IBFA is authorized to provide telecommunications services in Vermont pursuant to a Certificate of Public Good (CPG No. 800) granted by the Board on June 1, 2005. Petition at 1.
3. Pursuant to an Asset Purchase Agreement, IBFA will purchase the assets of AFB. Petition at 1.

4. Following completion of the transaction, IBFA will notify AFB customers. IBFA will also offer service to former AFB customers at rates, terms and conditions of service identical to those now offered by AFB. Accordingly, the transaction will not cause any inconvenience for Vermont consumers. Petition at 2-3.

5. The proposed transaction will allow IBFA to realize significant economic and marketing efficiencies which should allow the company the opportunity to strengthen its position in the Vermont telecommunications marketplace, thereby, strengthening competition for telecommunications services and promoting the public interest. Petition at 4.

III. DISCUSSION

The proposed transaction requires approval by the Board under 30 V.S.A. § 109. The statute conditions approval of a sale upon a finding that the merger or sale of assets will promote the public good (30 V.S.A. § 109). This standard is met in this case.

Pursuant to 30 V.S.A. § 109, "a foreign corporation subject to the jurisdiction of the [Board], shall not make a sale . . . in any one calendar year constituting ten percent or more of the company's property located within this state . . . nor merge nor consolidate . . ." without approval of the Board. In order to approve the sale of assets, the Board must first find that it will "promote the general good of the state." 30 V.S.A. § 109.

After reviewing the Petition, we conclude that 30 V.S.A. § 109 applies to the sale of assets of AFB, which is a certificated telecommunications carrier in Vermont. We further conclude that the asset sale to IBFA will not cause undue inconvenience for Vermont customers and allow AFB's customers to continue uninterrupted service at the same rates, terms and conditions of service. The sale of assets, therefore, will promote the public good. For all of these reasons, we conclude that the proposed transaction meets the standards set forth in 30 V.S.A. § 109 and should be approved.

IV. CONCLUSIONS

The sale of assets of AFB should be approved because the transaction will promote the public good of the State of Vermont. 30 V.S.A. § 109.

V. ORDER

IT IS HEREBY ORDERED, ADJUDGED AND DECREED by the Public Service Board of the State of Vermont that:

1. The sale of assets of American Farm Bureau, Inc. to IBFA Acquisition Company, LLC, will promote the public good and, therefore, is approved.
2. Petitioners shall file a letter notifying the Board of the completion of the transaction within one week of such completion.
3. A Certificate of Consent to the sale of assets of American Farm Bureau, Inc. to IBFA Acquisition Company, LLC, shall be issued.

Dated at Montpelier, Vermont, this 19th day of October, 2005.

<u>s/James Volz</u>)	
)	PUBLIC SERVICE
)	
<u>s/David C. Coen</u>)	BOARD
)	
)	OF VERMONT
<u>s/John D. Burke</u>)	

OFFICE OF THE CLERK

Filed: October 19, 2005

Attest: s/Susan M. Hudson
Clerk of the Board

NOTICE TO READERS: This decision is subject to revision of technical errors. Readers are requested to notify the Clerk of the Board (by e-mail, telephone, or in writing) of any apparent errors, in order that any necessary corrections may be made. (E-mail address: Clerk@psb.state.vt.us).

Appeal of this decision to the Supreme Court of Vermont must be filed with the Clerk of the Board within thirty days. Appeal will not stay the effect of this Order, absent further Order by this Board or appropriate action by the Supreme Court of Vermont. Motions for reconsideration or stay, if any, must be filed with the Clerk of the Board within ten days of the date of this decision and order.